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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-14-2019]

Foreign-Trade Zone (FTZ) 124 – Gramercy, Louisiana; Notification of Proposed Production Activity; Offshore Energy Services, Inc. (Casing Pipe with Connectors), Broussard, Louisiana

The Port of South Louisiana, grantee of FTZ 124, submitted a notification of proposed production activity to the FTZ Board on behalf of Offshore Energy Services, Inc. (OES), located in Broussard, Louisiana. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on March 12, 2019.

The applicant indicates that it has submitted a separate application for subzone designation at the OES facility under FTZ 124. The facility will be used for the welding of connectors onto casing pipe. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished product described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt OES from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below, OES would be able to choose the duty rates during customs entry procedures that apply to API 5L line pipe with welded pin and box connections (duty-free). OES would be able to avoid duty on

foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include API specification 5L line pipe, and welded pin and box threaded connections for use in oil and gas drilling operations (duty-free). The request indicates that certain materials/components are subject to special duties under Section 232 of the Trade Expansion Act of 1962 (Section 232), depending on the country of origin. The applicable Section 232 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: March 14, 2019.

Andrew McGilvray,

Executive Secretary.

